

Message Text

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PAGE 01 BOGOTA 00534 211648Z

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ACTION EB-11

INFO OCT-01 ARA-16 EUR-25 ISO-00 CAB-09 CIAE-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 AID-20 FRB-02 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 OMB-01 PA-04 USIA-15

PRS-01 EA-11 IGA-02 DRC-01 /154 W

----- 037116

R 182232Z JAN 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 969

USDOC WASHDC

INFO AMCONGEN MONTREAL

AMCONSUL CALI

AMCONSUL MEDELLIN

UNCLAS BOGOTA 534

PLS PASS EXIMBANK AND FAA

REF: BOGOTA 9524, BOGOTA 9527, BOGOTA 7641

1. SUMMARY. NORTHROP-PAGE (N-P) HAS WON LARGEST TENDER (ABOUT US\$6 MILLION) SO FAR IN STILL INCOMPLETE SERIES OF 6 NEW TENDERS FOR AIRPORT EQUIPMENT. PREVIOUS SINGLE-PACKAGE TENDER WAS CANCELLED BY PRESIDENT PASTRANA IN MARCH AFTER ONE OF THE MOST CELEBRATED COMMERCIAL CONTESTS IN COLOMBIAN HISTORY. N-P PROPOSAL FOR ORIGINAL TENDER WAS US\$20 MILLION UNDER BIDS OF FRENCH AND BRITISH. NOW OBVIOUS THAT N-P'S BID AT THAT TIME (US\$25 MILLION) WAS ON TARGET, SINCE TOTAL VALUE OF NEW TENDERS FOR ESSENTIALLY SAME EQUIPMENT (SLIGHTLY LESS) WILL BE ABOUT US\$22 MILLION. THUS USG IN COOPERATION WITH PRIVATE US INDUSTRY STOPPED HUGE (AND OVERPRICED) BLOCK PURCHASE FROM GEC OF ENGLAND OR CSF THOMSON OF FRANCE WHICH WOULD HAVE MEANT DOMINANCE BY EUROPEANS OF COLOMBIAN AERONAUTICAL MARKET FOR MANY YEARS TO COME. END SUMMARY.

2. EMB HAS CARRIED OUT ALL ACTIONS SUGGESTED IN OBJECTIVE 2/23,

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PAGE 02 BOGOTA 00534 211648Z

ANNEX, COUNTRY COMMERCIAL PROGRAM (CCP).

3. FOLLOWING IS RUNDOWN ON FOUR TENDERS COMPLETED AND TWO YET TO BE AWARDED. DATA ARE APPROXIMATE AS AVAILABLE.

4. TENDER ONE, CLOSED NOV. 16, APPROACH LIGHTING SYSTEM, ILLUMINATION OF RUNWAYS, VISUAL ANGLE INDICATORS, RESPECTIVE EMERGENCY GROUPS. AEG TELEFUNKEN WON ON STRONG CONCESSIONAL-TYPE FINANCING EXTENDED BY FRG, 30 YEARS, INCLUDING 8 YEARS GRACE, 4 PERCENT. PRICES WERE:

AEG TELEFUNKEN	US \$2.9 MILLION
CANADIAN-WESTINGHOUSE	1.8 MILLION
USA-WESTINGHOUSE	2 MILLION
GENERAL ELECTRIC	2.1 MILLION
NORTHROP-PAGE (ADB OF BELGIUM)	6 MILLION

5. TENDER TWO, CLOSED NOV. 20, RADIO BEACONS NETWORK, VOR EQUIPMENT, DISTANCE MEASURING EQUIPMENT. CFS THOMSON WON, REPORTEDLY ON PRICE. ONLY THOMSON AND WILCOX MET FINANCING REQUIREMENTS. THOMSON FINANCING WAS 5 P/C DOWN WITH CONTRACT, 5 P/C ON DELIVERY, 90 P/C FINANCED OVER 10 YEARS AT 8.75 P/C INTEREST. PRICES WERE:

GSF THOMSON	US\$ 2.1 MILLION
WILCOX	4.8 MILLION
PLESSEY	3.7 MILLION

6. TENDER THREE, CLOSED DEC. 13, INSTRUMENT LANDING SYSTEMS FOR BOGOTA, BARRANQUILLA, CALI, TERMINAL RADAR FOR BOGOTA. CFS THOMSON WON ALLEGEDLY ON PRICE. THOMSON FINANCING WAS 20 P/C OF PURCHASE AT 15 YEARS 3 1/2 INTEREST AND 80 P/C OF PURCHASE AT 11 YEARS, 7 1/2 P/C. PLESSEY OFFERED 25 YEARS, 3 1/2 P/C FOR SMALL PORTION OF PURCHASE, REMAINDER AT RELATIVELY UNINTERESTING COMMERCIAL RATES. PRICES WERE:

CSF THOMSON	US\$ 2 MILLION
WILCOX	1.9 MILLION
PLESSEY	1.6 MILLION

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PAGE 03 BOGOTA 00534 211648Z

7 TENDER FOUR, CLOSED DEC. 14, AERONAUTICAL COMMUNICATIONS SYSTEM, AIR TO GROUND HF AND VHF, POINT TO POINT, DIRECT ORAL COORDINATION CIRCUITS. NORTHROP-PAGE WON REPORTEDLY ON BASIS TECHNOLOGY, PRICE AND FINANCING. N-P QUOTED EQUIPMENT FROM AEROCOM, COCOM, AND SOME ERICSSON TELEPHONE APPARATUS. N-P PRICE WAS ABOUT US\$6 MILLION. FOR ADDITIONAL DETAILS THIS TENDER, USDOC MAY WISH COMMUNICATE WITH NORTHROP-PAGE, VIENNA, VIRGINIA.

8. TENDER FIVE CLOSES TODAY JAN. 18, NATIONAL RADAR SYSTEM.
N-P NOT EXPECTED QUOTE. USA POSSIBLY TO BE REPRESENTED THROUGH
SELENIA (ITALIAN AFFILIATE OF RAYTHEON) USING ALL SECONDARY
RADAR, MARCONI AND THOMSON ALSO EXPECTED BID. LOCKHEED ELECTRO-
NICS MAY BID THROUGH EUROPEAN FIRM. VALUE ROUGHLY US\$5 MILLION,
ACCORDING TRADE.

9. TENDER SIX, LAST IN SERIES, SHOULD OPEN END OF FEBRUARY,
MICROWAVE LINKUP. MANY BIDDERS EXPECTED, COLOMBIAN CIVAIR
(DAAC) TOUTING JAPANESE. FROM USA POSSIBLY FARINON AND GENE-
RAL TELEPHONE. VALUE ABOUT US\$2.5 MILLION, ACCORDING TRADE.
10 INFORMED SOURCES BELIEVE THESE SIX TENDERS WILL COVER MAJOR
COLOMBIAN PURCHASES FOR SOME TIME TO COME.
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